

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)**  
**CERTIFIED FARMERS' MARKET ADVISORY COMMITTEE**  
**Meeting Minutes**  
**March 14, 2005**  
**Sacramento, California**

**MEMBERS**

Scott Beylik  
Russell Hall  
Steven Erickson  
Jim Russell  
Gene Etheridge  
Jim Eldon  
Doug Hayden  
Joan Taramasso  
Harry Brown-Hiegel  
Greta Dunlap  
Howell Tumlin  
Mary Lou Weiss  
Scott Hudson  
Karol Jo Kappel

**ALTERNATES MEMBERS**

Fred Ellrott, Voting  
Gary Romano  
Nancy Pliebel  
Pompea Smith  
Jane Allen  
Mary Hillebrecht

**CDFA**

Steve Mauch  
Janice Price  
Susan Shelton  
Ed Williams

**INTERESTED PARTIES**

Karen Wetzel Schott, VCCFMA  
Gary Gentry

**ITEM 1: ROLL CALL**

Janice Price called the meeting to order at 10:01 a.m. Greta Dunlap led the committee in the pledge of allegiance. Janice Price called the roll and a quorum was established.

**A. INTRODUCTION OF GUESTS**

Introductions were made for the benefit of the new members.

**ITEM 2: ELECTION OF CFMAC OFFICERS – JANICE PRICE**

Janice announced that the election of officers at the January 3, 2005 meeting was invalid due to the fact that Fred Ellrott was voted in as chairperson and he currently serves in an alternate position. According to a statute in the Food and Agricultural Code, an alternate can only act in the absence of his/her member; therefore, Fred cannot fulfill the duties of the chairman. Janice explained that a new election will need to take place.

**MOTION:** Steve Erickson moved to nominate Gene Etheridge as Chair. Fred Ellrott seconded.

**MOTION:** Jim Russell moved to nominate Harry Brown-Hiegel as Chair. Doug Hayden seconded.

Both Gene and Harry accepted the nomination. After a brief speech by each candidate and a secret ballot vote, Gene was elected as Chair for the current term.

**MOTION:** Doug Hayden moved to nominate Harry Brown-Hiegel as Vice-Chair. Steve Erickson seconded.

**MOTION:** Mary Lou Weiss moved to close the nominations. Jim Russell seconded.

Harry Brown-Hiegel was elected Vice-Chair for the current term.

### **ITEM 3: APPROVAL OF JANUARY 3, 2005 MEETING MINUTES**

**MOTION:** Howell Tumlin moved to approve the minutes as submitted. Fred Ellrott seconded. The motion passed unanimously.

### **ITEM 4: APPROVAL OF AGENDA**

**MOTION:** Howell Tumlin moved to approve the agenda as submitted. Doug Hayden seconded. The motion passed unanimously.

### **ITEM 5: REPORTS**

#### **A. CFM REMITTANCE FEE AND DELINQUENT MARKET REPORTS: 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>RD</sup> AND 4<sup>TH</sup>, QUARTERS, 2004 – JANICE PRICE**

Janice Price pointed out that current revenue, as of March 3, 2005, is \$175,866. Revenue is at an all time high and continues to climb. She also explained that CDFA is working on a reminder letter that will include specific instructions regarding the quarterly remittance process.

#### **B. CDFA BUDGET REPORTS: DECEMBER AND JANUARY, FISCAL YEARS 2003/04 AND 2004/05 – JANICE PRICE**

Janice Price reported that the salary line item on the December 2004 Budget Report is up-to-date. However, the cash funding line item on the January 2005 Cash Status report is not correct. This will be discussed further under item 5.g.

Janice explained that the January 2003 Budget Report for salaries and benefits, under current month expenditures, show 0 indicating inaccurate allocations. In order to bring this report current, CDFA is in the process of reconciling the allocations to include the appropriate recovery charges.

The committee discussed these reports and the difficulty in interpreting the data. Steve Mauch stated that CDFA would create a spreadsheet showing the important numbers in an easy to understand format, while still providing these reports as backup information.

#### C. CDFA TASK REPORT – JANICE PRICE

Janice Price presented the committee with a copy of the 4<sup>th</sup> Quarter CDFA Task Report (October – December 2004). She explained that under Appeals and Hearings, the county action case was reversed due to a malfunction of the tape recorder, which caused the hearing to not be recorded. Janice reported that under the miscellaneous category, she had worked on establishing certificate issuance guidelines for counties to attempt to reduce all the returned mail that results from incorrect mailing addresses listed on certificates.

#### D. CDFA ANNOUNCEMENTS – JANICE PRICE

Janice Price gave a letter to the CFMAC listing the eighteen new appointments to the committee. She explained that there are still two vacant alternate certified producer seats. CDFA will consider any applications that are submitted to fill these vacancies.

Janice passed out Assembly Bill (AB) 826, introduced by Assembly Member Nava on February 18, 2005. This bill would encourage the creation of farmers' markets and other venues for the sale of fresh, locally grown fruits and vegetables in areas of the state with inadequate access to those foods. This bill would be a means of improving health, reducing obesity, and reducing health care costs to citizens and the state. For additional information and to subscribe to receive updates on changes, go to [www.leginfo.ca.gov](http://www.leginfo.ca.gov).

An update on legislation effective January 1, 2005 was given. As a result of AB 1726 a \$100 late penalty fee regulation was filed with the Secretary of State on March 7, 2005 and will be effective April 6, 2005. A proposed regulation that defines sprouts, requires a market to have a valid certificate while in operation, and requires organic registrants to post their registration and certification is pending CDFA and Office of Administrative Law review and approval.

Steve Mauch announced that A.J. Yates is back at CDFA, he has replaced Chuck Ahlem as Undersecretary. He also gave the committee an update on the summit that will be convened to examine potential opportunities for farmers to extend and expand direct marketing successes, and to explore innovative direct marketing ideas. Lynn Morgan from the Marketing Division at CDFA will be putting the summit together. She will attend a future CFMAC meeting to give further details.

E. AGRICULTURAL COMMISSIONERS

Scott Hudson announced that CACASA is meeting on March 16<sup>th</sup> and 17<sup>th</sup> in Woodland. It is an open meeting and anyone is welcome to attend. Scott will be speaking on Direct Marketing issues.

March 15, 2005 is Agriculture Day at the State Capitol.

F. LONG RANGE PLANNING SUBCOMMITTEE – JANE ALLEN, CHAIR

Jane Allen spoke with Louise Dyble who is compiling the data on the surveys. Unfortunately, Louise has been unable to work on the analysis and is not sure when she will be able to proceed with the project. Jane stated that the comments have been compiled; however the analysis is incomplete. Mary Hillebrecht requested that Jane distribute the raw data to the committee.

G. FINANCE SUBCOMMITTEE – SCOTT BEYLIK, CHAIR

Scott Beylik reported that the subcommittee met on March 9, 2005. They discussed the budget, which will be discussed later in the agenda under item 6.b.

H. MARKET STANDARDS/MANAGER CERTIFICATION SUBCOMMITTEE - HOWELL TUMLIN, CHAIR

Howell Tumlin explained that the subcommittee had scheduled a meeting; however, subcommittee members were not available to participate on the call. Therefore there was not a quorum and the meeting was adjourned without further discussion. No new matters to report.

I. ENFORCEMENT/MATRIX SUBCOMMITTEE – SCOTT HUDSON, CHAIR

Scott Hudson reported that the subcommittee met on February 17, 2005. They discussed the processed products definition and the administrative penalty

matrix. Proposed amendments to the penalty matrix will be discussed later in the agenda under item 6.c.

J. NON-CERTIFIABLE AGRICULTURAL PRODUCTS SUBCOMMITTEE – JIM RUSSELL, CHAIR

Jim Russell stated that the subcommittee met on February 28, 2005. They discussed the definition of processed agricultural products. Minutes of the meeting were provided

K. POLICY AND PROCEDURES SUBCOMMITTEE – HOWELL TUMLIN, CHAIR

Howell Tumlin reported that the subcommittee met on January 18, 2005. They discussed CFMAC procedural changes that they will address in the future.

**ITEM 6: COMMITTEE BUSINESS**

A. REVIEW/APPOINTMENT OF CFMAC SUBCOMMITTEES AND THEIR MEMBERS

It was proposed that Scott Beylik chair the Finance Subcommittee with Karol Jo Kappel, Scott Hudson, and Dennis Peitso as members.

**MOTION:** Doug Hayden moved to approve the Finance Subcommittee as proposed. Howell Tumlin seconded. The motion passed unanimously.

A discussion ensued regarding the need to continue the Nursery Stock Subcommittee. There are concerns regarding the certification of nursery stock, including the inspection process.

**MOTION:** Howell Tumlin moved to table this subcommittee until clarification from the Secretary is given regarding certification of nursery stock. Doug Hayden seconded. The motion passed unanimously.

It was proposed that Jane Allen chair the Long Range Planning Subcommittee with Greta Dunlap, Jim Eldon, Steven Erickson, Fred Ellrott, Rusty Hall, Pompea Smith, and Gene Etheridge as members.

**MOTION:** Fred Ellrott moved to approve the Long Range Planning Subcommittee as proposed. Rusty Hall seconded. The motion passed unanimously.

After this motion passed, a message was received by Lynn Bagley requesting to retain membership on this subcommittee.

**MOTION:** Jim Russell moved to add Lynn Bagley to the Long Range Planning Subcommittee. Scott Hudson seconded. The motion passed unanimously.

**MOTION:** Greta Dunlap moved to add marketing and education as an element to the Long Range Planning Subcommittee. Fred Ellrott seconded. The motion passed unanimously.

It was proposed that Howell Tumlin chair the Market Standards/Manager Certification Subcommittee with Doug Hayden, Mary Lou Weiss, Karol Jo Kappel, Dennis Pietso, Edith Clark, Joan Taramasso, Gene Etheridge, and Scott Beylik as members.

**MOTION:** Doug Hayden moved to approve the Market Standards/Manager Certification Subcommittee as proposed. Scott Hudson seconded. The motion passed unanimously.

It was proposed that Scott Hudson chair the Enforcement/Matrix Subcommittee with Nancy Pliebel, Scott Beylik, Fred Ellrott, Edith Clark, and Earl McPhail as members.

**MOTION:** Jim Russell moved to approve the Enforcement/Matrix Subcommittee as proposed. Jim Eldon seconded. The motion passed unanimously.

It was proposed that Jim Russell chair the Non-Certifiable Agricultural Products Subcommittee with Jim Eldon, Howell Tumlin, Karol Jo Kappel, Mary Lou Weiss, Greta Dunlap, Rusty Hall, Mary Hillebrecht, Laura Avery, Leslie Starus, Rick Landon, Randii MacNear, and Steven Erickson as members.

**MOTION:** Rusty Hall moved to approve the Non-Certifiable Agricultural Products Subcommittee as proposed. Karol Jo Kappel seconded. The motion passed unanimously.

It was proposed that Gene Etheridge chair the CACASA Coordination Subcommittee with Rusty Hall, Karol Jo Kappel, Scott Beylik, Jane Allen, Greta Dunlap, Jim Russell, Mary Hillebrecht, and Mary Lou Weiss as members.

**MOTION:** The motion passed unanimously.

It was proposed that Howell Tumlin chair the Policy and Procedures Subcommittee with Jim Eldon, Scott Beylik, Fred Ellrott, Mary Hillebrecht, Jane Allen, and Pompea Smith as members.

**MOTION:** Jim Russell moved to approve the CFMAC Policy and Procedures Subcommittee as proposed. Rusty Hall seconded. The motion passed unanimously.

**B. CDFA PROPOSED 2005/2006 BUDGET – SCOTT BEYLIK**

Scott Beylik deferred to Steve Mauch. Steve explained that personnel services for the CFM Program have not been allocated properly. For the 2003/04 and 2004/05 fiscal years, the total amount of personnel costs charged to the CFM program was \$103,663 per year. A recent audit of services was completed and found that the actual costs of personnel, utilized by the CFM Program, was \$146,181 per year. A breakdown of specific costs was given to the committee.

Steve stated that the yearly revenue for this program is approximately \$176,000 and costs are approximately \$198,000. He explained that there must be discussion and consideration regarding how this program can become adequately funded. Adequate funding must be developed or there will have to be program cuts to balance expenses with revenue.

**C. DIRECT MARKETING ADMINISTRATIVE PENALTY MATRIX PROPOSALS – SCOTT HUDSON**

Scott Hudson explained that there have been issues of violations in the code that were not covered by the penalty matrix. The Enforcement/Penalty Matrix Subcommittee recommends the following additions to the matrix:

Code Section	Violations/Penalty	Minor	Moderate	Serious
24. CCR 1392.4 (c)	Offering for sale non-agricultural products at a certified farmers market		1 <sup>st</sup> Violation	Repeat NC within 12 months of Moderate penalty.
25. CCR 1392.4 (e)	Using an unapproved scale or a scale not sealed.		1 <sup>st</sup> Violation	Repeat NC within 12 months of Moderate penalty.
26. CCR 1392.4 (f)	Failure to obtain and submit to the agricultural commissioner written authority from said other certified producers to sell on their behalf.	1 NC's in 12 months	Repeat NC within 12 months of Minor penalty.	Repeat NC within 12 months of Moderate penalty.
27. CCR 1392.4 (a) 1392.2 (i) (j)	Representative acting for and/or selling for the certified producer is not an immediate family member or employee.			1 <sup>st</sup> Violation

**MOTION:** Jim Russell moved to adopt lines 24-27 to the penalty matrix. Steven Erickson seconded.

Prior to the vote, a discussion ensued regarding the issue of non-agricultural products. Some members had a concern that line 24 should not be adopted until the definition of non-certifiable agricultural product or processed product was approved. A substitute motion was offered with a request for a roll call vote.

**MOTION:** Howell Tumlin moved to adopt lines 25-27 into the penalty matrix and send line 24 back to the subcommittee for further clarification. Rusty Hall seconded. Abstain: Scott Beylik. Affirmative vote: Rusty Hall, Doug Hayden, and Howell Tumlin. Against: Steve Erickson, Jim Russell, Jim Eldon, Joan Taramasso, Harry Brown-Hiegel, Greta Dunlap, Mary Lou Weiss, Scott Hudson, Fred Ellrott, and Karol Jo Kappel. The motion failed.

As the substitute motion failed the original motion was voted upon with a request for a roll call vote.

**MOTION:** Jim Russell moved to adopt lines 24-27 to the penalty matrix. Steven Erickson seconded. Affirmative vote: Scott Beylik, Fred Ellrott, Steve Erickson, Jim Russell, Jim Eldon, Doug Hayden, Joan Taramasso, Greta Dunlap, Howell Tumlin, Mary Lou Weiss, Scott Hudson, Karol Jo Kappel. Against: Rusty Hall and Harry Brown-Hiegel. The motion passed.

Scott stated that the subcommittee had also discussed changes to lines 3, 4, and 6 on the matrix. However, before they recommend any changes they would like to discuss the matter with the CDFA Legal Office.

#### D. PROPOSED PROCESSED AGRICULTURAL PRODUCT DEFINITION – JIM RUSSELL

Jim Russell stated that the subcommittee would be meeting on April 4, 2005 and April 25, 2005 at 9:00 a.m. They will continue the subject of defining processed agricultural products.

#### E. CFMAC MEETING LIMITATIONS – JANICE PRICE

The Finance Subcommittee asked Janice to calculate the savings if the CFMAC were to meet three times per year instead of six. This change would save the committee approximately \$11,000 per year. Janice explained that the required mailings of proposed regulations are another of the program's high costs.



Production services and mailing costs for the sprout and late penalty regulation were over \$15,500.

Howell Tumlin stated that the committee has already approved the recommendation to increase fees from \$0.60 to \$1.00 through legislation, which would be the best way to balance the budget. Pompea Smith suggested that the Long Range Planning Subcommittee take up the issue of identifying industry representatives to move the legislation forward.

#### F. TEN YEAR VISION STATEMENT – JANICE PRICE

When Harry Brown-Hiegel and Gail Hayden met with Secretary A.G. Kawamura, A.G. requested that the CFMAC prepare and submit a ten-year vision statement. Doug Hayden reported that Gail would be attending the next CFMAC meeting to report on this issue.

### **ITEM 7: NEW BUSINESS - DISCUSSION ONLY**

Scott Hudson asked the committee what direction they would like to go with the nursery regulation package that the Nursery Stock Subcommittee had previously submitted. The committee is still interested in moving forward if the agricultural commissioners are willing. Scott stated that he would discuss the issue with the commissioners and report back to the committee. Jim Russell asked that this subject be added to the next meeting agenda.

### **ITEM 8: MEMBER ROUNDTABLE DISCUSSION – CHAIR**

Scott Beylik requested that the CFM fee increase be placed on the next CFMAC agenda.

Pompea requested that the committee be updated on the upcoming summit. She also asked that CDFA consider having two summits, one in Northern California and one in Southern California. Steve Mauch stated that he would forward that request to Lynn Morgan and ask that she keep in touch with Janice on the progress.

Nancy Pliebel asked if CFM's were required to participate in the WIC program. She was informed that they are not required. Harry Brown-Hiegel explained that he has information on WIC's regional meetings if she is interested in that information.

### **ITEM 9: NEXT MEETING MAY 9, 2005 – TORRANCE/NEW AGENDA ITEMS**

The next meeting has been scheduled for May 9, 2005 in Torrance, CA.

**ITEM 10: ADJOURNMENT**

As there was no other business to discuss, the Committee adjourned at 2:41 p.m.

Respectfully submitted by:

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Janice Price, Supervisor  
Certified Farmers' Market Program  
Inspection and Compliance Branch